

CHAPTER 31.13 RCW CENTRAL CREDIT UNIONS

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Master license system exemption: RCW 19.02.800.

RCW 31.13.010 Definitions. The terms used in this chapter shall have the following meanings unless the context in which they are used clearly indicates otherwise.

(1) "Members" shall mean any organization which meets the requirements of chapter 31.12 RCW.

(2) "Member credit union" shall mean any credit union which has been elected to membership and subscribed for at least one share in the central credit union and paid the initial installment thereon.

(3) "Credit union" shall mean a corporation organized under chapter 31.12 RCW or chartered to do business as a credit union by the administrator of the national credit union administration or the successor or successors of him.

(4) "Funds" shall mean deposits and shares of the central credit union members.

(5) For the purpose of establishing required reserves all assets except the following are "risk assets":

(a) Cash on hand;

(b) Deposits and shares in banks, trust companies, savings and loan associations, mutual savings banks or credit unions;

(c) Assets which are insured or guaranteed by, or due from, the federal government or any agency or instrumentalities thereof. [1984 c 31 § 79; 1977 ex.s. c 207 § 5.]

RCW 31.13.020 Authority to organize and operate – Rights and powers – Name – Preexisting unions. A central credit union may be organized and operated under this chapter. The central credit union shall have all the rights and powers granted in and be subject to all provisions of chapter 31.12 RCW which are not inconsistent with this chapter. Such credit union shall use the term "central" in its official name. Any central credit union in existence on September 21, 1977 in the state of Washington shall operate under the provisions of this chapter. [1977 ex.s. c 207 § 1.]

RCW 31.13.030 Bylaws. Notwithstanding any other provision of law, the central credit union may adopt bylaws enabling it to exercise any of the powers, as now existing or hereafter conferred upon, a federally chartered central credit union doing business in this state which is subject to the regulations of the administrator of the national credit union administration, or the successor or successors of him or her, if the director finds that the exercise of such power:

(1) Serves the public convenience and advantage; and

(2) Equalizes and maintains the quality of competition between the state chartered central credit union and any federally chartered central credit union. [1994 c 92 § 234; 1977 ex.s. c 207 § 2.]

RCW 31.13.040 Additional rights and powers. The central credit union shall have the following additional rights and powers:

- (1) May offer variable rate certificates to its members.
- (2) Upon approval of its board of directors, may borrow money on behalf of the central credit union for the purpose of making loans to its members and the payment of debts or withdrawals: PROVIDED, That said borrowing capacity shall not exceed fifty percent of the central credit union's paid-in and unimpaired capital and surplus.
- (3) May lend to its member credit unions an amount not to exceed seventy-five percent of the aggregate funds of such member credit unions on deposit with the central credit union.
- (4) Establish deposit accounts for its member credit unions, under conditions specified by the board of directors. Such deposit accounts shall bear interest at a rate established by the central credit union, which interest shall be considered a business expense.
- (5) May enter into agreements with its member credit unions to purchase or sell any:

- (a) Real estate loan made by member credit unions;
- (b) Certificate or obligation of the United States government or any agency thereof, owned by member credit unions; and
- (c) Student loans made by member credit unions pursuant to the federally insured student loan program under Public Law No. 89-329, Title IV, Part (b) of the Higher Education Act of 1965, as amended. [1977 ex.s. c 207 § 3.]

RCW 31.13.050 Reserve fund. The central credit union may maintain only one reserve fund in addition to the Washington state guarantee fund: PROVIDED, That before payment of any interest or dividends by the central credit union, there shall be set apart in said reserve fund not less than ten percent of the net income which has accumulated during the next preceding guaranty period, until such time as the fund shall equal five percent of the risk assets of the central credit union, and thereafter there shall be added to the fund at the end of such period a percentage of the net income which has accumulated during that period which will result in at least maintaining such fund at that amount. [1977 ex.s. c 207 § 4.]

RCW 31.13.900 Severability – 1977 ex.s. c 207. If any provision of this 1977 act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected. [1977 ex.s. c 207 § 7.]